

THIS INSTRUMENT FORULATED BY:
Fred A. Morrison
McLin Burnsed, P.A.
Post Office Box 491357
Leesburg, Florida 34749-1357

Annexation Agreement

RESERVED FOR RECORDING

THIS AGREEMENT entered into as of the _____ day of _____, 2014 and shall be effective on the later of the Annexation Date or January 1, 2015 (the "Effective Date"), between **THE CITY OF LEESBURG, FLORIDA**, P.O. Box 490630, Leesburg, Florida 34749-0630, hereafter referred to as the "City," and **COVANTA LAKE II, INC.** whose address is 3830 Rogers Industrial Park Rd. Okahumpka, FL 34762, hereafter referred to as the "Developer,".

WITNESSETH:

That Developer owns the real property legally described on Exhibit "A" attached, and has applied to annex that property (hereafter referred to as the "Property") into the City. The parties have entered into this Agreement to set forth certain understandings between them regarding how the Property is to be developed, and which party will be responsible for various expenses connected to the use and development of the Property, if it is annexed into the City.

NOW THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and of the consideration being given by the City to annexation of the Property into its municipal limits, as well as other good and valuable considerations, receipt whereof is hereby acknowledged, the parties do hereby agree as set forth below:

1. Exhibit "A" (legal description of the Property) is incorporated into this Agreement as fully as if set forth verbatim herein. The Property is comprised of these tax parcels: Alternate Key No. 2585650; Alternate Key No. 2585625; and Alternate Key No. 2980907. The tangible personal property assessed to Developer as established by the Lake County Property Appraiser and located on the Property shall also be included as part of the overall taxable value of the Property after annexation.

2. This Agreement is executed in connection with a separate Solid Waste Disposal Agreement (the "Disposal Agreement"). The initial term of the Disposal Agreement will be 5 years, with 3 options to extend the original agreement for additional consecutive 5 year terms by mutual agreement of both parties. The initial tipping fee, starting January 1, 2015, will be \$29.50 per ton.

3. Developer shall bear all responsibility, financial and otherwise, for the construction and installation of any of the following utility infrastructure and other improvements related to the use and development of the Property, all of which shall be constructed to the applicable

specifications imposed by the ordinances and regulations of the City in effect at the time of construction. Developer may dedicate or otherwise grant to the City, free of liens or encumbrances other than those which are duly subordinated, easements for potable water, reuse water, sewer lines, gas lines and all other utilities mentioned herein, and may upon approval of the lines by the City, convey title to all utility lines and related infrastructure (such as, but not limited to lift stations) to the City by deed, bill of sale or other appropriate document. The City shall not be obligated to accept for maintenance any utility lines, roads or other items constructed by the Developer.

- A. Any and all interior roads, together with such turning lanes, acceleration and deceleration lanes, traffic signals, signs, striping, and other road improvements, on site or off site, as are necessary to the efficient handling of the traffic to be generated by any future development of the Property, and to meet the concurrency requirements imposed by law. Roads and other public thoroughfares within the Property shall be dedicated to the public on the plat or in some other manner, unless Developer desires and intends that the roads remain private, in which case the plat, recorded restrictions or other appropriate documents shall contain notice to all purchasers of land within the Development that they, and not the City, will be responsible for maintenance of the roads. Roads, driveways and other interior improvements on the Property as of the date of this Agreement shall remain private and are exempt from these requirements.
- B. All supply lines for potable water service to each residential, commercial or industrial unit constructed on the Property. This shall include the responsibility to construct such off site lines as are necessary to hook the Property onto the City's potable water system at the nearest location where there is a supply line of sufficient size to serve the needs of the proposed development. Notwithstanding the foregoing, Developer may continue to use an onsite well for its potable water needs until either Developer elects otherwise, or the use of the Property is altered from its current use as a solid waste incinerator. The onsite well may also be used to make up any shortfalls in reclaimed water obtained from the City for Developer's boilers and cooling towers.
- C. Separate water supply lines to carry treated wastewater ("Reuse Water") to be utilized for irrigation and other purposes for which the use of Reuse Water is approved by applicable laws, rules and regulations. This shall include the responsibility to construct such off site lines as are necessary to hook the Property onto the City's reuse water system at the nearest location where there is a supply line of sufficient size to serve the needs of the proposed development. City will provide up to 270,000 GPD or 8,100,000 gallons per thirty day month, of reclaimed water, under City's base rate BAS1 which is currently \$1,168.05 per month for those quantities. This flat rate shall continue for a period of three years from the Effective Date, or until customer demand increases to the point City is no longer able to provide Developer with these quantities and still meet other demands. These arrangements may be extended by mutual agreement of the parties so long as excess reclaimed water is available from City. After the initial three year

period, Developer will pay the City's base rate BAS1 and any excess fees based on total monthly usage.

- D. Natural gas lines to supply Developer's operations on the Property with natural gas. This shall include the responsibility to construct such off site lines as are necessary to hook the Property onto the City's natural gas supply system at the nearest location where there is a supply line of sufficient size to serve the needs of the Property. The City acknowledges the importance of natural gas to Developer's operations. Developer will coordinate with the City to avoid impacting the ability of the City to serve its other natural gas customers, and the City will work with Developer to explore ways to reduce the cost of natural gas supplied, including possible direct wholesale purchasing from the transmission line, or a special industrial class discount from the rate charges to other business and commercial customers.
- E. Wastewater lines and any necessary lift stations to convey wastewater from each structure on the Property to the City's wastewater treatment system. This shall include the responsibility to construct such off site lines as are necessary to hook the Property onto the City's wastewater treatment system at the nearest location where there is a collection line of sufficient size to serve the needs of the proposed development.
- F. Fiber optic cables to serve each structure constructed on the Property with data and other services capable of transmission over such lines. Provided, however, this requirement is only applicable if the City's fiber optic cable system is available adjacent to the Property at the time of construction/improvement plan approval by the City, and Developer elects to obtain fiber optic service from City rather than another available provider.
- G. Nothing in this Agreement shall require Developer to utilize any of the foregoing utility services or construct any of the listed items, however if and to the extent Developer constructs interior roads on the Property or utilizes any of the listed utilities, these conditions shall apply.

4. At the time of building permit approval, or other time as specified by City or Lake County ordinance, Developer shall pay all applicable impact fees, connection charges, or other legally adopted fees and costs required by the City or Lake County, to the extent such fees or charges apply to the work being done by Developer, excepting only those improvements located on the Property as of the effective date of this Agreement.

5. The City shall be the sole provider of the following utility services within the Property, except as otherwise provided explicitly in this Agreement: potable water, reuse water, wastewater, and natural gas. No new wells shall be allowed within the Property without the approval of the Leesburg City Commission, however the existing well as of the effective date of this Agreement may be utilized, maintained, repaired, and replaced (with no greater capacity than existing on the effective date of this Agreement) without any approval from the City.

6. Nothing in this Annexation Agreement shall be construed to exempt the Developer or the Property from any requirements imposed by the City code or other applicable laws, rules and

regulations regarding any permits or approvals necessary for the use or development of the Property, including but not limited to, platting, building permits, zoning or conditional use permits or amendments to the Future Land Use Element of the Comprehensive Plan as required for the uses to which Developer proposes to put the Property, site plan approvals, or other permitting requirements imposed by local, state or federal government, or any agency thereof. Developer understands and acknowledges the City's role as the local government with primary land use jurisdiction over the Property, and nothing in this Agreement shall be construed to waive or relinquish, in whole or in part, any of the rights and obligations of the City as the governmental entity having permitting jurisdiction over the Property, to insure that all proposed use and development of the Property complies fully with all applicable statutes, ordinances, codes, rules and regulations as to which the City has any right or obligation with regard to enforcement, nor shall anything in this Agreement be construed to obligated the City to grant or consider the granting of any variance, special exception or other discretionary land use, building or zoning permit or approval, except as the City would otherwise be obligated to do so upon application by any ordinary citizen or landowner not having any contractual relationship with the City, or to forego any of its ordinary and necessary public hearing requirements.

7. This Annexation Agreement shall not be effective, nor shall it be binding on either party, until such time as the Property has been duly annexed into the municipal limits of the City in accordance with all applicable requirements including notice to surrounding property owners and public hearings which are in accordance with Florida Statutes, and the City's Code of Ordinances. The City does not, by negotiation of this Annexation Agreement with the Developer, intend to commit itself to annex the Property, and shall not be obligated to do so. However, if the City denies Developer's petition to annex the Property into its municipal limits, this Annexation Agreement shall become void and of no force or effect., and the Disposal Agreement if signed shall become void, once the decision of the City Commission to deny the petition to annex has become final and is no longer subject to appeal.

8. The City will, subject to the reservation of its police powers as aforesaid, support Developer's economic development efforts involving development of third party tenant use of a portion of the Property, or the location of third party tenants adjacent to the Property, including grant opportunities which may be available to potential third party tenants, and as to any location lying within the municipal limits of the City, expedited review of building permits, rezoning requests, and other governmental approvals.

9. The City will waive the following fees in consideration of Developer entering into this Agreement: Annexation Application Fee.

- A. Large Scale Comprehensive Plan amendment fee associated with any amendment required in connection with annexation.
- B. All fees associated with rezoning or other land use approvals required, due to annexation, to permit Developer to continue utilizing the Property in the manner in which it was utilized just prior to its annexation.
- C. Impact fees for water, wastewater, police and fire services, as to all improvements existing on the Property as of the effective date of this Agreement.

D. New customer utility deposit for natural gas.

10. Venue for any action or proceeding arising under this Annexation Agreement shall be in Lake County, Florida. This Annexation Agreement shall be construed in accordance with the laws of Florida. In the event of any litigation arising under this Annexation Agreement, the prevailing party shall be entitled to recover its reasonable court costs and attorneys' fees at both the trial and appellate levels, in addition to any other relief obtained.

11. This Agreement shall take effect on January 1, 2015, or the date on which the Property is annexed into the City, whichever is later.

IN WITNESS WHEREOF, the parties have caused their duly authorized officers to set their hands and seals to this Annexation Agreement.

WITNESSES:

Joseph R. Treshler

Type or print name of witness

Janet Richards

Type or print name of witness

DEVELOPER: COVANTA LAKE II, INC.

BY: Bradford D. Crispell

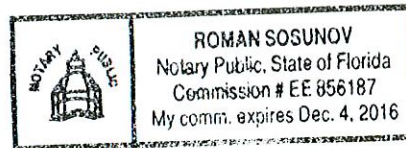
BRADFORD D. CRISPELL
Vice President
Regional Business Management

STATE OF FLORIDA
COUNTY OF LAKE

BEFORE ME, the undersigned Notary Public, personally appeared Bradford D. Crispell, as a Vice President of Covanta Lake II, Inc., who acknowledged on the 19 day of September, 2014, that he executed the foregoing instrument, and who is {CHECK ONE} ☐ personally known to me, or else who ☒ produced FL DL C621064511280 as identification.

Roman Sosunov
NOTARY PUBLIC

Type or print name of Notary



Commission Number

Commission Expiration Date

THE CITY OF LEESBURG, FLORIDA

BY: _____
JOHN CHRISTIAN, Mayor

Attest: _____
BETTY RICHARDSON, City Clerk

APPROVED AS TO FORM AND CONTENT:

CITY ATTORNEY

**STATE OF FLORIDA
COUNTY OF LAKE**

BEFORE ME, the undersigned Notary Public, personally appeared John Christian, as Mayor, and Betty Richardson, as City Clerk, who appeared personally before me and acknowledged on the _____ day of September, 2014, that they executed the foregoing instrument on behalf of the CITY OF LEESBURG, FLORIDA, and who were either {CHECK ONE} ☐ personally known to me, or else who ☐ produced _____ as identification.

NOTARY PUBLIC

Commission Number

Type or print name of Notary

Commission Expiration Date